Regional Passport Offices. I think, this is a big step that we have taken and it will really enable the people to get passports quicker.

MR. CHAIRMAN: Question no. 404, Shri Krishnamurthy.

SHRI K. RAHMAN KHAN: Sir, I am authorised to put the supplementary.

**श्री सभापति** :आपका बाद में आएगा।

*404. *[The questioner (Shri K.B. Krishna Murthy) was absent for answer vide pages 61-62.]*

*405. *[The questioner (Shri Lalit Suri) was absent for answer vide page 62-63.]*

**Outsourcing of Business services**

*406. SHRIMATI BIMBA RAIKAR: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether some States of the USA have passed legislation againt the outsourcing of business services like call centres in a move to provide employment to locals;

(b) to what extent this would affect the operations of call centres running in India with clientele comprising of major US MNCs;

(c) whether NASSCOM has initiated any damage control measures by sending a delegation to US to lobby for a *status quo* on this issue; and

(d) if so, the details thereof?

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI ARUN SHOURIE): (a) to (d) A Statement is laid on the Table of the Rajya Sabha.

***Statement***

(a) and (b) No laws have been passed so far. However, Bills were introduced in the New Jersey State's Senate and Assembly which required every State contract for the performance of services, to include provisions specifying that only persons authorized to work in the United States may be employed under the contract or any subcontract. As per current status, after having been passed by the

New Jersey State Senate, the New Jersey Bill was referred by the New Jersey State Assembly to the State Government Committee which, in turn, has referred the Bill back to the Senator who had introduced the Bill, for reconsideration. Hence, it is yet to be passed.

It is also understood that some other US states like Maryland, Connecticut and Washington are considering similar moves though differing in scope. The proposals in the states of California, Missouri and Wisconsin are at a preliminary discussion stage.

While the state of Maryland is considering setting up a task force to study the implications of outsourcing, the state of Connecticut is considering a similar bill which will apply only to companies which are incorporated outside the US.

The state of Washington is considering a Bill on government procurement that seeks to provide incentives to companies which do at least 60% of the work in the State. There were not enough sponsors and hence this Bill was not discussed in the State Assembly. However, the initiation of this Bill was supported by the technical workers union.

These bills are not specific to India and seek to impose global restrictions on procurement of services by the State.

The operations of call centres in India would not be greatly affected as these bills deal with only state government contracts which account for a fraction of business of Indian call centres.

(c) and (d) With active support from the Government of India, NASSCOM has been working very closely with US policy makers, media, legislators, customers and US Industry Associations to highlight the benefits of outsourcing, creation of jobs and competitiveness of various industries. A NASSCOM delegation visited USA in March 2003 and had meetings at New Jersey, Washington D.C., Maryland and Washington. It has also hired a reputed Public Relations firm to do the lobbying on behalf of the Indian IT Industry.

SHRIMATI BIMBA RAIKAR: Mr. Chairman, Sir, the Minister has given some reply. But I am not satisfied with the reply given by him. There are many call centres in India, especially, in Bangalore where

IT professionals are working on low wages. As Indians speak good English, the US is taking advantage of these professionals. As you know, I come from Karnataka and it is on top in respect of IT and software engineers working for US companies on low wages.

MR. CHAIRMAN: Madam, you put your question.

SHRIMATI BIMBA RAIKAR: Sir, I am putting my question.

MR. CHAIRMAN: You are making a background for the question.

SHRIMATI BIMBA RAIKAR: So, I would like to ask the hon. Minister: Don't we stand to lose in terms of both employment and foreign exchange earnings, if these call centres stop their business?

SHRI ARUN SHOURIE: Sir, actually, the facts are the contrary. There are 186 call centres in India. They are employing about 73,300 employees. All of them are educated. The exports from those call centres earned us Rs. 2,470 crores last year. The exports are growing at 30 per cent per year. The fact is that we can supply the services at a lower cost to the US firms and even for US Government organisations and it is to our advantage. That is how our exports will grow. If we start demanding the same wages as are available in New York, how will the US companies shift their business to us? The concern in America is the opposite. They are saying, "You are outsourcing to low-cost people in India."

SHRIMATI BIMBA RAIKAR: Sir, 60,000 engineers and IT professionals have been sent back to India from America, after the Twin Tower Trade Centre attack. If the New Jersey Bill gets passed in May, 2003 cancelling orders and all call centres in India, can the Government take the responsibility of giving jobs to all those who will be rendered jobless? The Minister has stated that NASSCOM has been very closly working with the US policy-makers. He has also stated that there was a meeting in the month of March. Can you give the results? What had happened at the meeting in the month of March? Will you please enlighten me?

SHRI ARUN SHOURIE: Sir, as regards the last question, the Indian Embassy had taken it up; we had taken it up; my colleague,

Shri Arun Jaitely, had taken it up, in his meeting, with the US Trade Representative in February, in Tokyo; ana the result is that a number of officials of the US Government, I am told, are against such a legislation. Sir, you don't want me to disclose which officer in the US Government has given us what assurance and what kind of tips he has given us, how we should proceed, who are the key legislators with whom we should liaison, etc. We are doing that through NASSCOM very effectively and I have assured NASSCOM that, if they want, we will give them a fund of Rs. 5 crores, just from our Ministry, so that this educating work for US legislators can proceed better.

The second and more important thing is that the US Trade Representative has even written an official letter to us in this regard.

The third point is that we are contacting the companies that are benefiting by outsourcing their business to India. They will be the ones who will get across the legislators and say, "If you don't allow us to source our work from low-cost places you are making the American companies uncompetitive". So, we are working on it.

**Slashing of rates by cellular companies**

*407. SHRI BHAGATRAM MANHAR:
SHRI RAJU PARMAR:

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that cellular companies in the country have slashed their rates for mobile users;

(b) if so, what are the rates/schemes at present being offered by these cell phone operators; and

(c) whether the rates of MTNI and BSNL are very high as compared to the cell phone operators, and if so, the comparative rates of cell phone operators *vis-a-vis* the landline operators namely MTNL/BSNL/VSNL?

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI ARUN SHOURIE): (a) to (c) A Statement is laid on the Table of the House.